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The Coming Phase of IT and its Impact on Trade and Business Relationships: A View from Europe

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National IT Strategies for Denmark

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Abstract

The development of a Danish National IT strategy was strongly inspired by similar initiatives in countries like Japan, Singapore, Sweden and United States as well as parallel activities in the European Community. The process, however, has been very different. The approach is very much a consensus approach. Formally the report is written by a two-person committee, but about 200 people have been involved in drafting what became the final report. 'Consensus-seminars' and collaborative IT in the form of Group Systems was used extensively in order to capitalise on as many intellectual resources as possible.

The report although recognises market forces, but does not believe that market forces alone can create the consensus society most Danes want. The report sets forward a number of priority areas for computerisation, some examples are: citizen-, property-, and company-registers; a machine-readable personal ID-card; e-mail contact for citizens with public institutions; networks between all groups like researchers, libraries and homes; new media with 'pay per view'; electronic home services; and injection of public funds into application projects. The report has uplifted IT to the political level where the Prime Minister has defined IT as one of his three key policy areas.

The Coming Phase of IT and its Impact on Trade and Business Relationships: A View From Europe

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Abstract

Trade and business relationships between world partners are entering a new phase at the turn of the Century. As many countries are still taking advantage of low labor costs in manufacturing to achieve high growth rates, a new chance is given to high-income countries to sustain ambitious perspectives through qualitative development, IT and service-intensive productions. The relationships between European and Asia Pacific countries in the 80's and 90's has illustrated the patterns and benefits that could be derived from the "global workbench," made uniquely possible by the extension and use of IT in manufacturing. IT, now, is actually delivering the pervasive productivity increases which were predicted at the outset of the announced information era.

One distinctive feature of this relationship was (and still is in some instances) the complementarity (division of labor), between high income-high costs and low income-low costs economies. It is evident that this has given momentum to a virtuous circle, allowing a respectable number of countries (and individuals) in the Asia Pacific region to achieve the affluence once reserved to first- (Europe and the U.S.) and second (Japan)-generation industrialized countries. Although this process is still predominant, changing market and technology conditions will be affecting the next phase of development and impact of IT.

First, although high costs and high asset specificity (including a high knowledge content) predominate in the R&D and design phase of IT products and services, high incomes are no more conducive to high manufacturing and service costs, given the cost structure of manufacturing and reproduction. Second, product and required service quality and variety is increasingly high, as are the risks associated with early development and conception phases. Product-life cycles are shortening, and consequently, returns to successful prime-movers are high as well. Profitable follower strategies, however, can be inspiring, as the risk dimension is drastically reduced for them. The presentation will present European and French IT policies in this context, and their impact on relationships with Asia Pacific countries.